

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is made and entered into by and between the CITY OF LINCOLN, NEBRASKA, a municipal corporation, hereinafter referred to as "Lessor," and HOLMES LAKE PROFESSIONAL CENTER, LLC, a Nebraska limited liability company, f/k/a Holmes Lake Professional Center Partnership, hereinafter referred to as "Lessee."

WHEREAS, the Lessee has expanded its parking lot and landscaped the area in fulfillment of a previous lease agreement with the Lessor dated on or about March 21, 1997, authorized by Ordinance No. 17159;

WHEREAS, such improvement has not interfered with park purposes and shall continue to promote the welfare and best interests of the Lessor;

WHEREAS, the parties desire to enter to renew the aforementioned lease agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties as follows:

1. PREMISES LEASED. Subject to the terms and conditions herein contained, the Lessor hereby leases to the Lessee the following described premises, hereinafter called the "Premises," to wit:

An area of land comprising 2,098 sq. ft. as shown on the attached Exhibit "A."
The area of land is immediately adjacent to and adjoining the easterly side of Lot 111 Irregular Tract in the Northeast Quarter of Section 4, Township 9 North, Range 7 East of the 6th P.M., Lincoln, Lancaster County, Nebraska.

2. TERM. This Agreement shall become effective on May 1, 2012 and shall continue for a term of ten (10) years and ending on April 30, 2022 unless sooner terminated as hereinafter provided.

3. USE. Lessee agrees to utilize the Premises for a paved parking lot. The Premises shall not be utilized for any other purposes or other improvements. Lessee shall not use or permit the Premises to be used for any purpose other than a parking lot as shown on Exhibit "A." Lessee shall not keep or store on or about the Premises other than the use of the parking areas by automobiles for patrons, invitees, and lessees of the building at 2855 S. 70th, adjacent to the Premises. Lessee agrees not to make any alterations, additions or improvements to the Premises without first obtaining the written consent of the Lessor.

4. RENTAL. The annual rent shall be paid on or before May 1st of each year and shall be determined by:

A. Ascertaining the assessed valuation per square foot of the adjoining land (Lot 111 I.T., in the NE 1/4 of Section 4-9-7, Lincoln, Lancaster County, NE).

B. Multiplying the assessed valuation per square foot by the number of square feet of land leased under this agreement (2,098 square feet) and then multiplying this number by nine percent (9%).

5. RESTRICTION OF ASSIGNMENT, SUBLETTING. Lessee agrees not to assign or in any manner transfer this Agreement or any estate or interest therein without the previous written consent of Lessor which consent should not be unreasonably withheld; and, not to sublet the Premises without like consent. Consent by the Lessor to one assignment of this Agreement or to one subletting of said Premises shall not operate to exhaust the Lessor's right hereunder.

6. LEASE RENEWAL. Lessee shall have the option to renew this Agreement for two (2) additional terms of ten (10) years provided Lessee is not in default with any of the provisions or covenants contained within this Agreement. Each renewal shall be exercised at least ninety (90) days prior to the expiration of the current Agreement. Such renewal shall also be conditional upon Lessee not being in default under the terms of this Agreement.

7. RETURN OF PROPERTY TO ITS PRESENT CONDITION. Upon the termination of this Agreement or any renewals thereof, Lessee agrees to return the Premises to the Lessor in its present condition, except all landscaping and trees which shall be maintained and become the property of the Lessor. All parking lot improvements shall be removed, and the Premises should be re-graded and re-sodded or seeded as needed to blend with Lessor's adjoining property. Lessor hereby further covenants and agrees that Lessee shall be permitted to enter upon the Premises at all reasonable times to examine the condition of the same.

8. PERSONAL PROPERTY AT RISK OF LESSEE. All personal property on the Premises shall be at the risk of the Lessee only. The Lessor shall not be or become liable for any damage to such personal property or for Lessee's improvements on the Premises or to Lessee or any other persons or property on the Premises or for any damage arising from any act or neglect of Lessee, occupants, employees or invitees of the building and Premises at 2855 S. 70th, Lincoln, NE.

9. INSURANCE.

A. Lessee shall maintain General Liability Insurance at its own expense during the life of this Agreement, naming and protecting Lessee and City of Lincoln, its officials, employees and volunteers as insured, against claims for damages resulting from (a) all acts or omissions, (b) bodily injury, including wrongful death, (c) personal injury liability, and (d) property damage which may arise from operations under this Agreement whether such operations by Lessee and Lessee's employees, or those directly or indirectly employed by Lessee. This insurance shall be written by an insurance company authorized to do business in the State of Nebraska. Such insurance shall provide protection for replacement from all risks covering all improvements constructed or installed by Lessee. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:

1. All Acts or Omissions - \$2,000,000 each Occurrence; \$4,000,000 Aggregate; and
2. Bodily Injury/Property Damage - \$1,000,000 each Occurrence; \$2,000,000 Aggregate; and
3. Personal Injury Damage - \$1,000,000 each Occurrence; and
4. Contractual Liability - \$1,000,000 each Occurrence; and
5. Products Liability and Completed Operations - \$1,000,000 each Occurrence; and
6. Medical Expenses (any one person) - \$5,000; and
7. Fire Damage (any one fire) - \$100,000; and

8. Umbrella or excess coverage - \$1,000,000 each Occurrence.

B. The following shall be provided and attached to this Agreement by Lessee:

1. A Certificate of Insurance for its General Liability Insurance. The City of Lincoln shall be specifically named as an additional insured on the General Liability Insurance.

2. Proof of Workers' Compensation Insurance, where appropriate.

C. Lessee is required to provide Lessor with thirty (30) days notice of cancellation, non-renewal or any material reduction of insurance as required by this Agreement.

10. LESSEE'S DEFAULT, BANKRUPTCY, ETC. Should a petition in bankruptcy be filed by the Lessee, whether for reorganization, rehabilitation or otherwise, or should the Lessee be adjudged bankrupt or insolvent by any court, or should a trustee or receiver in bankruptcy or a receiver of any property of the Lessee be appointed in any suit or proceeding by or against the Lessee, this Agreement shall automatically terminate unless the Lessor shall waive such termination provision in writing delivered to the Lessee within fifteen (15) days after the date when Lessor has received notice of such occurrence. Should default be made by the Lessee in the payment of rental herein reserved, or any part thereof or any other payments provided herein to be made, when and as herein provided, or should Lessee make default in performing, fulfilling keeping or observing any of the Lessee's other covenants, conditions, provisions or agreements herein contained, or should the Premises become vacant or abandoned, or should this Agreement by operation pass to any person other than the Lessee, or should the leasehold interest be levied upon under execution, then and in any such events, the Lessor shall advise Lessee of such default by certified mail. Thereafter, if Lessee fails to cure such default within thirty (30) days of such notice, Lessor may, if the Lessor so desires, without demand or notice to the Lessee or any other person, at once declare this Agreement terminated and reenter the Premises without a formal notice or demand and hold and enjoy the same thenceforth as if this Agreement had not been made, without prejudice, however, to any right of action or remedy of the Lessor in respect to any breach by the Lessee of any of the covenants herein contained.

11. NOTICES. Any and all notices or demands required or permitted to be given hereunder shall be deemed to be properly served if sent by registered or certified mail, postage prepaid, addressed to the Lessor at 2740 A Street, Lincoln, NE 68502 or addressed to the Lessee at Century Management Company, 2855 S. 70th Street, Suite 200, Lincoln, NE 68506, or at such other address or addresses as either party may hereafter designate in writing to the other. Any notice or demand so mailed shall be effective for all purposes at the time of deposit thereof in the United States mail.

12. NO OTHER AGREEMENTS. This Agreement contains the entire understanding and agreement of the parties, supersedes all prior understandings and agreements and cannot be revised, adjusted or modified unless in writing signed by the party against whom the same is to be enforced.

13. INDEMNIFICATION. To the fullest extent permitted by law, Lessee shall indemnify, defend and hold harmless Lessor, its officers, agents and employees from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of this Agreement, that results in any claim for damage

whatsoever, including without limitation, any bodily injury, sickness, disease, death, or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom that is caused in whole or in part by the intentional or negligent act or omission of Lessee, its agents and employees, or anyone for whose acts any of them may be liable. This section will not require Lessee to indemnify or hold harmless Lessor for any losses, claims, damages, and expenses arising out of or resulting from the sole negligence of Lessor. Lessor does not waive its governmental immunity by entering into this Agreement and fully retains all immunities and defenses provided by law. Lessor assumes no responsibility for the property of Lessee including no responsibility for loss from fire, theft, pilferage or malicious mischief. This section survives any termination of this Agreement.

14. EXPLANATORY PROVISIONS. The provisions of this Agreement shall be binding upon, inure to the benefit of and apply to the respective heirs, executors, administrators, successors and assigns of the parties hereto. The masculine pronouns, wherever used, shall include the feminine and neuter, and the singular shall include the plural. Headings are given to the paragraphs of this Agreement solely as a convenience to facilitate reference and shall not be deemed material or relevant to the construction of the Agreement or any provision thereof.

15. IMPROVEMENTS. Lessee agrees to do no remodeling or install any permanent fixtures or additions to the Premises without first obtaining the written approval of the Lessor. All improvements shall become the property of the Lessor upon termination of this Agreement unless the parties hereto agree otherwise. Lessee shall bear the cost of any alterations or improvements which are required to be made to the Premises as a result of the nature of Lessee's business and Lessee agrees to comply with applicable laws, ordinances, rules and regulations of the City of Lincoln or any Department thereof. Lessee agrees to maintain the landscape screen adjacent to the paved parking lot. Lessee agrees to pay promptly for any work done or materials furnished on or about the Premises and will not suffer or permit any lien to attach to the Premises and Lessee further agrees to cause any such lien or any claims thereof to be released promptly; provided, however, that in the event Lessee contests any such claim, Lessee agrees to indemnify and secure Lessor to Lessor's satisfaction. Lessor shall, at its sole cost, keep, and maintain the entirety of the Premises, and all improvements and facilities placed thereon, in good order, condition and repair and in a clean, safe condition.

16. ADVERTISING. No display signs or advertising shall be placed on the Premises structure, or affixed in any manner, except upon written approved of the Lessor in advance.

17. "AS IS". Lessee agrees that it is accepting this Premises "as is," that Lessee has inspected the Premises and has determined the Premises to be suitable for the uses intended. No representations have been made by the Lessor as to the condition of the Premises.

18. HAZARDOUS MATERIAL. Lessee shall not cause or permit any hazardous material to be brought upon, kept, or used in or about the Premises by the Lessee, its agents, employees, contractors, or invitees, without the prior written consent of the Lessor (which Lessor shall not unreasonably withhold as long as Lessee demonstrates to Lessor's reasonable satisfaction that such hazardous material is necessary or useful to Lessee's business and will be used, kept and stored in a manner that complies with all laws regulating any such hazardous material so brought upon or used or kept in or about the Premises). If Lessee breaches the

obligations stated in the preceding sentence, or if the presence of hazardous material on the Premises caused or permitted by Lessee results in contamination of the Premises, or if contamination of the Premises by hazardous material otherwise occurs therefrom, the Lessee shall indemnify, defend and hold Lessor harmless from any and all claims, judgment, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorney's fees, consultant fees and expert fees) which arise during or after the lease term as a result of such contamination. This indemnification of Lessor by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedials, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of hazardous material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any hazardous material on the Premises caused by or permitted by Lessee results in any contamination of the Premises, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such hazardous material to the Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. As used herein, the term "hazardous material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority or the United States Government.

19. ADA CLAUSE.

A. The Lessee, at its sole cost and expense, shall comply with all requirements of the Americans with Disabilities Act with respect to the Lessee's activities in the demised Premises and modification of nonstructural components of the demised Premises.

B. The Lessee shall defend, save harmless, and indemnify the Lessor from any costs, expense, or liability (including reasonable attorneys fees and other costs of defense) arising out of the Lessee's failure to fulfill its obligations under this Agreement with respect to the Americans with Disabilities Act.

21. WAIVER. Any waiver by any party of a default of any other party of this Agreement shall not affect or impair any right arising from any subsequent default. No custom or practice of the parties which varies from the terms of this Agreement shall be a waiver of any party's right to demand exact compliance with the terms of this Agreement.

22. NEBRASKA LAW. This Agreement shall be governed and interpreted by the Laws of the State of Nebraska without reference to the principles of conflicts of law.

23. TERMINATION AND CANCELLATION. Should the Lessor determine that it is in its best interest to make other use of the Premises or to remove the structure during the term of this Agreement, the Mayor and City Council may cancel this Agreement by providing Lessee with six (6) months notice of cancellation.

IN WITNESS WHEREOF, the parties have executed this Agreement on the ____ day of _____, 2011.

ATTEST:

CITY OF LINCOLN, NEBRASKA,
A municipal corporation

City Clerk

Mayor Chris Beutler

**HOLMES LAKE PROFESSIONAL
CENTER, LLC, A Nebraska limited
liability company**

By: John R. Watson
Its: Managing Member

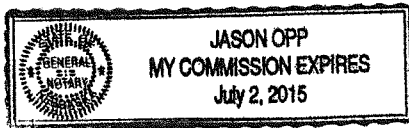
STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by Chris Beutler, Mayor of the City of Lincoln, Nebraska, a municipal corporation, on behalf of the City of Lincoln, Nebraska.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this 21st day of December, 2011, by John Watson, the Managing Member of Holmes Lake Professional Center, LLC on behalf of said limited liability company.



Jason Opp
Notary Public



CERTIFICATE OF LIABILITY INSURANCE

OP ID: TG

DATE (MM/DD/YYYY)

12/27/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | | |
|--|--|---------------------|--|
| PRODUCER Copple Insurance Agency, Inc. P.O. Box 83405 Lincoln, NE 68501- D. Arnie Johansen, CPCU, ARM | | 402-475-3213 | CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: HOLME-3 |
| INSURED Holmes Lake Professional Buiding Partnership 2855 S 70th St, Suite 200 Lincoln, NE 68506 | INSURER(S) AFFORDING COVERAGE | | NAIC # |
| | INSURER A: The Cincinnati Insurance Co. | | 10677 |
| | INSURER B: | | |
| | INSURER C: | | |
| | INSURER D: | | |
| | INSURER E: | | |
| INSURER F: | | | |

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|---|--|-------------------|-------------------------|--|---|
| A | GENERAL LIABILITY | | | EBP0035499 | 03/22/11 | 03/22/12 | EACH OCCURRENCE \$ 1,000,000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | X | DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 | | | | |
| | <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR | MED EXP (Any one person) \$ 5,000 | | | | | |
| | GEN'L AGGREGATE LIMIT APPLIES PER: | | PERSONAL & ADV INJURY \$ 1,000,000 | | | | |
| | <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | | | | GENERAL AGGREGATE \$ 2,000,000 |
| | | | | | | | PRODUCTS - COMP/OP AGG \$ 2,000,000 |
| | | | | | | | \$ |
| A | AUTOMOBILE LIABILITY | | | EBP0035499 | 03/22/11 | 03/22/12 | COMBINED SINGLE LIMIT (Ea accident) \$ |
| | <input type="checkbox"/> ANY AUTO | | BODILY INJURY (Per person) \$ | | | | |
| | <input type="checkbox"/> ALL OWNED AUTOS | | BODILY INJURY (Per accident) \$ | | | | |
| | <input type="checkbox"/> SCHEDULED AUTOS | | PROPERTY DAMAGE (Per accident) \$ | | | | |
| | <input type="checkbox"/> HIRED AUTOS | | \$ | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | \$ | | | | |
| | | | \$ | | | | |
| A | UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR | | EBP0035499 | 03/22/11 | 03/22/12 | EACH OCCURRENCE \$ 1,000,000 | |
| | EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE | | | | | AGGREGATE \$ 1,000,000 | |
| | DEDUCTIBLE | | | | | \$ | |
| | RETENTION \$ | | | | | \$ | |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY | | | | | | WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> |
| | ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) | Y/N <input type="checkbox"/> | N/A | | | | E.L. EACH ACCIDENT \$ |
| | If yes, describe under DESCRIPTION OF OPERATIONS below | | | | | | E.L. DISEASE - EA EMPLOYEE \$ |
| | | | | | | | E.L. DISEASE - POLICY LIMIT \$ |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
City of Lincoln is listed as an additional insured.

CERTIFICATE HOLDER**CANCELLATION**

| | |
|--|--|
| CITY--1 City of Lincoln 555 South 10 Street Lincoln, NE 68508 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>D. A. Johansen</i> |
|--|--|

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